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| Microsoft Dynamics  Customer Solution Case Study |
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|  |  |  | Brother International Enhances Productivity, Business Processes with new ERP system |
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| Overview  **Country or Region:** Malaysia  **Industry:** Office Automation  Customer Profile  Brother Malaysia is part of Brother International, a Japanese conglomerate known for its laser printers, multi-function centers (MFCs) and sewing machines. It has some 40 employees in Malaysia.  Business Situation  Brother Malaysia was handicapped by its old accounting application which had limited reporting capabilities, no real-time information and drill-down functionalities, and hampered work productivity.  Solution  Microsoft partner Advance Infosys was engaged to deploy Microsoft Dynamics NAV 2009 at Brother Malaysia’s headquarters. The Web-based system runs Microsoft SQL Server 2008 as its database.  Benefits   * Promotes greater productivity * Real-time decision-making * In-depth visibility of business * Speeds up financial statements |  |  | “Microsoft Dynamics NAV 2009’s real-time capability gives us agility in our decision-making which we didn’t have previously and this positively impacts our sales and marketing strategies.”  KM Sew, Deputy General Manager, Finance & Admin Division, Brother International (Malaysia) Sdn Bhd |
|  |  | Brother International is a Japanese multinational corporation manufacturing and marketing innovative products for the print and imaging, labelling and sewing markets around the world. Its Malaysian unit Brother International (Malaysia) Sdn Bhd had been using the Accpac accounting solution for some 9½ years since its inception. However, it was hampered by the solution’s limited reporting capabilities, lack of real-time information and drill-down functionalities, and performance-related issues. Brother Malaysia replaced it with Microsoft Dynamics NAV 2009 and it has since helped to boost productivity as well as speeded up preparation of reports and financial statements. Microsoft Dynamics NAV 2009’s real-time and drill-down capability gives Brother Malaysia a strategic edge by providing the latest information that enables it to make the right business decisions much faster than before. |
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Situation

With a rich history spanning over a century, Brother International has grown from humble beginnings into a diversified multinational corporation. A Japanese company founded in 1908, Brother has 16 production facilities and 51 sales companies operating in 44 countries today.

Brother is recognized as an international brand that produces innovative products for the print and imaging, labeling and sewing markets. Its key products include laser printers, multi-function centers (MFCs), fax machines, labelers, label printers, and home and industrial sewing machines.

Its unit Brother International (Malaysia) Sdn Bhd (Brother Malaysia) oversees sales and marketing activities of Brother products in the Malaysian market. Since its establishment in 2001, the Malaysian operation had been using the Accpac accounting solution. However, in recent years it began to experience the limitations of using an accounting system which it had not upgraded for a number of years.

These included limited reporting capabilities which required manual processes, no real-time information and drill-down capabilities, and performance-related issues when processing data. This eventually prompted Brother Malaysia to look at upgrading or replacing the system, according to KM Sew, Brother Malaysia’s Deputy General Manager, Finance & Admin Division.

The solution’s reporting functionality was limited and required various manual processes when exporting files to Microsoft Excel for analysis. “The accounting application was not compatible with Microsoft Excel and when files were exported to Excel, the formatting would run and we had to manually ‘massage’ it back to the original. This wasted a lot of our time,” adds Sew. The problem was compounded in recent years after the Japan headquarters made it mandatory for Brother International’s subsidiaries to submit daily reports.

Brother Malaysia was also handicapped because the accounting system did not provide real-time information nor did it have drill-down capabilities. This meant the company did not have up-to-date information on its sales and financial health, and thus hampered its decision-making. “We are the principal for Brother International products and any wrong decisions will negatively impact the whole Malaysia market.”

The accounting solution operated on batch processing of transactions and each time Brother Malaysia wanted to get the latest business and financial data, the IT department had to perform a ‘day-end processing’. “Whenever we did the processing, we had to inform all the users to log out of the system for about 10 minutes otherwise it will crash the database, and this could lead to data corruption,” explains Sew.

Typically, the day-end processing was done three to four times daily but this increased to once every hour towards the month end when the various departments wanted the latest figures. “This was highly disruptive and inconvenient as users had to stop work whenever the processing was initiated. For example, customer service at our servicing department was affected as service billings could not be done during the processing,” he says.

Solution

The challenges presented by the then accounting system lead to Brother Malaysia evaluating various options to replace it. At about the same time in 2009, the Malaysian unit was one of several Brother International subsidiaries in Southeast Asia which were considering implementing Microsoft Dynamics NAV, an enterprise resource planning (ERP) software solution targeted at mid-sized organizations.

“Our regional headquarters in Singapore wanted a more standardized accounting system for the region. Our Philippines and Indonesia sister companies were in the process of implementing Microsoft Dynamics NAV and we also decided to follow suit as it would enable our backend systems to be synchronized,” says Sew. Another key consideration for Brother Malaysia was that the new accounting system had to be compatible with Microsoft products such as Microsoft Office and Microsoft CRM, which the company was using.

“After evaluating Microsoft Dynamics NAV 2009, we found it to be a flexible system which could fully meet our requirements. And with Dynamics NAV being part of the Microsoft Dynamics group, it was fully compatible with Microsoft Excel, meaning it would eliminate the manual processes and pain points which we faced previously in generating reports and doing analysis,” says Sew.

Microsoft partner Advance Infosys Sdn Bhd was engaged to roll out the Microsoft Dynamics NAV solution. Implementation began in July 2010 and the system came on stream on Oct 1st, 2010. Sew commended Advance Infosys and Brother Malaysia employees for their commitment in getting the system up and running in quick time. “Three months was quite fast as our sister company in the Philippines took about six months to implement Microsoft Dynamics NAV!,” he adds.

The Microsoft Dynamics NAV modules implemented were Finance, Distribution, Warehouse, Sales, Purchasing and Fixed Assets. The Web-based system runs Microsoft SQL Server 2008 as its database and the company is in the process of integrating the system with its Microsoft CRM solution.

Advance Infosys Business Manager Lock Wai Choong says one of the key drivers in Brother Malaysia is to expand the boundaries of information technology beyond the office. “For example, with the Microsoft Dynamics NAV portal, Brother Malaysia is able to empower its sales personnel to perform their work outside the office, and outside of office hours,” adds Lock. Authorized users are able to access the Microsoft Dynamics NAV system through a secure virtual private network (VPN) connection.

Benefits

The adoption of Microsoft Dynamics NAV 2009 has enhanced productivity and business processes at Brother Malaysia as well as speeded up preparation of reports and financial statements by 150 per cent. In addition, the solution’s real-time and drill-down capability provides the company with up-to-date information that enables it to make the right business decisions speedily.

**Promotes greater productivity**

The Microsoft Dynamics NAV system has enabled Brother Malaysia to cut out the inefficiencies and manual work processes which previously hindered the company from achieving greater productivity. “The biggest difference between the old system and Microsoft Dynamics NAV is that reporting is now very fast and easy. Because it is a Microsoft product, Microsoft Dynamics NAV can directly export files to Microsoft Excel for analysis. There’s no longer a need to for rekeying in information or adjusting the formatting of the files imported by Excel,” says Sew. This enables Brother Malaysia to do analysis and submit daily reports to its headquarters easily and without delays, he adds.

Unlike the previous solution, Brother International now has an ERP system that does not require users to log out just because the system has to do processing or generate reports. “With Microsoft Dynamics NAV, there is no down-time for users as they can carry on working regardless of whether anyone is accessing the system for the latest financial or sales data,” Sew explains.

**Real-time boost to decision-making**

By making real-time information available, Microsoft Dynamics NAV provides the company with up-to-date information so that it can make the right business decisions in a timely manner. “Microsoft Dynamics NAV’s real-time capability gives us agility in our decision-making which we didn’t have previously and this positively impacts our sales and marketing strategies. For example, we can immediately know which specific products are not selling well this month, and this preps marketing to come up with a solution to address the problem,” explains Sew.

Having access to real-time information also allows Brother Malaysia’s key executives to know if they are on track to hitting their respective key performance indicators (KPIs). “Everyone wants the latest information because they have got their KPIs and own interests to meet. Microsoft Dynamics NAV allows them to see the latest business information, not only at month-end but at any time of the month,” he adds.

**In-depth visibility of business**

The drill-down capability of Microsoft Dynamics NAV gives Brother Malaysia an in-depth visibility into its business operations which was not possible with its old accounting system. Previously, the staff would have to manually check for a particular posting transaction. “We roughly guessed when it was posted and usually had to run 20 to 30 batches of postings just to find the relevant transaction. That was very time consuming and inconvenient.

“However, with Microsoft Dynamics NAV we can immediately drill down to see the details of the original transaction. Now if there’s something outside of our expectations, we can drill down immediately to the relevant transaction, find out what is amiss and take the necessary remedial actions,” says Sew.

Lock of Advance Infosys adds that because Microsoft Dynamics NAV tracks almost all the company’s products, it brings a higher level of transparency and accountability to the company’s operations. “In other words, there is now a check and balance in the accounting system,” he adds.

**Speeds up preparation of financial statements**

The productivity and efficiency enhancements resulting from Microsoft Dynamics NAV enable Brother Malaysia to slash the time taken to produce its monthly financial statements by about 60%. The finance department now takes two days to prepare the monthly statements compared to five days under the previous accounting system, confirms Sew.

“Microsoft Dynamics NAV has given us the benefit of being able to get the reports faster, and to submit it to our headquarters faster. Considering the volume of the transactions and the amount of work required, to be able to complete it in two days is pretty good,” Sew says.

Sew concludes by saying that Microsoft Dynamics NAV has given Brother Malaysia the strategic advantage of speed in crucial areas such as in accessing information, generating reports and financial statements, and in decision-making. “As Brother is an international brand, we are faced with many competitors. So for our business, speed – especially in decision-making – is very important. Microsoft Dynamics NAV gives us that vital strategic edge,” he adds.

Future plans

Moving forward, Brother Malaysia plans to extend the efficiencies offered by Microsoft Dynamics NAV to its network of business partners. Sew explains the company was exploring ways of getting its partners to be more integrated with the Microsoft Dynamics NAV system, in particular through the system’s portal. “Currently we are just generating emails from Microsoft Dynamics NAV and pumping it out to the partners,” says Sew, adding that in the case of its Indonesian sister company, the warehouse partner was able to upload data into the company’s Microsoft Dynamics NAV system.

“We are continuously looking at how we can fully tap on the potential of Microsoft Dynamics NAV. This is the next phase – we want to reach out not only to our staff but also to our partners as well,” adds Sew.

Microsoft Dynamics

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| Software and Services   * Microsoft Dynamics * Microsoft Dynamics NAV 2009 | * Microsoft Server Product Portfolio * Microsoft SQL Server 2008 Standard |

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